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World Production and Trade

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 25-85

June 19, 1985

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

DAIRY, LIVESTOCK AND POULTRY

JAPANESE pork production during January-April 1985 was 4.8 percent higher than the same period in 1984. That increase contrasts with relatively stable production, maintained by administrative guidance, during 1983 and 1984. Some producers, encouraged by strong pork prices and stable feed prices, decided to expand output despite government recommendations not to expand, according to the U.S. agricultural counselor in Tokyo. In addition, current conditions indicate 1985 production will expand more than the 2 percent forecast earlier and, as a result, pork imports will be lower than forecast.

Severe feed shortages in EGYPT due to foreign exchange limitations are expected to reduce broiler production to 90,000 tons in 1985, 10 percent below the 1984 output, according to the U.S. agricultural counselor in Cairo. Other indicators of severe feed shortages are the destruction of 4.5 million chicks by the government poultry company, which has first priority on available feed supplies, and lighter than normal weights for broilers that are marketed.

COTTON

The NIGERIAN barter agreement with Brazil has the potential to cut the U.S. cotton market share in half by 1985/86. Nigerian import licenses issued in late 1984 and to date in 1985 have required that cotton imports originate in Brazil and fall under terms of the Brazilian-Nigerian Barter Agreement. Spinners are optimistic that additional licenses for U.S. cotton will be issued in 1985; however, there is no guarantee of this. The U.S. share of Nigerian imports totaled about 20 percent in 1983/84.

FRUITS

In the REPUBLIC OF KOREA, tangerine (satsuma or mandarin orange) output has increased sharply in recent years, according to the U.S. agricultural counselor in Seoul. Production in 1984/85 is estimated at 373,000 tons, up 43 percent from last year's 261,000-ton output and over four times greater than production during the mid-1970's. The sharp rise in production is attributed to heavy plantings in the late 1960's and early 1970's.

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LYNN K. GOLDSBROUGH, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5918-S, Washington, D.C. 20250. Tel. (202) 447-7937.

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Tangerines represent practically all the citrus grown in the Republic of Korea. Production is concentrated on Cheju Island, off the southern tip of the Korean Peninsula. The Cheju citrus industry began expanding rapidly in the late 1960's, when Japanese nursery stock was introduced. Most of these trees are expected to reach peak production at 20-30 years of age and since most groves are only 10-15 years old, substantial output growth will continue with or without further expansion in planted area.

Government officials are now shifting the emphasis of citrus programs away from increasing production toward enhancing quality and extending the harvest period. This is being accomplished by developing and introducing new varieties to replace existing stock. A replanting program, which began in 1982, is attempting to replace approximately 3,900 hectares with new varieties by 1986. Growers who participate in the government program receive variety improvement support of \$2,500 per hectare, which covers an estimated 70 percent of their total planting expenses.

Citrus production in SELECTED COUNTRIES of the SOUTHERN HEMISPHERE is forecast at a record 14.5 million tons for the 1985 season, up 11 percent from last year's 13.1-million-ton harvest. Production estimates, by fruit type, with 1984 estimates in parentheses, are as follows (in 1,000 tons): sweet oranges 12,472 (11,167); tangerines 826 (788); lemons 560 (505); grapefruit 311 (296); and other citrus--including sour oranges, limes and miscellaneous citrus varieties--318 (320).

Brazil's 1985 citrus crop is forecast at a record 11.7 million tons, up 11 percent from last year's harvest and 6 percent above the previous record 1982 harvest. The orange crop is forecast at 10.8 million tons, 13 percent above last season. The orange crop in the commercial citrus zone of the state of Sao Paulo, which dominates Brazilian orange production, is expected to total about 9.0 million tons, 16 percent above last year. The increase in Sao Paulo's commercial orange crop is primarily attributed to an excellent bloom, good growing conditions and excellent grove management. Less selective and more timely picking is also expected to contribute to the higher projected 1985 output.

In Argentina, the 1985 citrus crop is forecast 17 percent above last year, but 5 percent below the 1983 harvest. The orange crop is forecast at 600,000 tons, up 20 percent from last season's weather-reduced crop. The 1985 lemon crop is expected to total 360,000 tons, up 13 percent from last season. Tangerine production is forecast up 32 percent, while grapefruit production is projected down 7 percent.

In Chile, 1985 citrus production is expected to be up 13 percent from last season. Orange and lemon production are forecast up 6 percent and 21 percent, respectively. In Uruguay, 1985 citrus production is forecast at about the same level as last year.

In Australia, the 1985 citrus crop is forecast 5 percent below last year's record crop. Orange production is forecast at 436,000 tons, down 5 percent from last season's 459,000 tons. Despite dry conditions, tree health is quite good and fruit set and size development have been good.

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In South Africa, 1985 citrus production is forecast up 5 percent from last year and the largest crop since 1982. Production in 1983 and 1984 was sharply lower due to an extended drought. Moisture conditions for the 1985 crop are much improved.

Total citrus production in selected countries of the Southern Hemisphere is estimated, by country, as follows (1,000 tons):

Country	1983	Revised 1984	Forecast 1985
Brazil	10,158	10,489	11,619
Argentina	1,412	1,150	1,340
Chile	136	127	143
Uruguay	130	133	130
Australia	488	559	533
South Africa 1/	629	618	650
Total selected			
Southern Hemisphere	12,953	13,076	14,487

1/ Includes production of Mozambique, Swaziland and Zimbabwe marketed through the South African Citrus Board.

COFFEE

The first WORLD green coffee production forecast for 1985/86 is 99.1 million bags (60 kilograms each), up 8 percent (7.2 million bags) from the revised 91.8 million for 1984/85 and 1 percent above the previous record output of 98.1 million in 1981/82. South American production is forecast up 14 percent from last year. Brazil, the world's largest producer, is expected to harvest a 33-million-bag crop, 22 percent more than last year. A cold air mass that penetrated the Southern part of Brazil from June 7 through June 10, 1985, did not affect the 1985/86 crop (See WR 24-1985). Good distribution of rainfall and moderate temperatures have been most favorable to Brazil's coffee crop since last September. Ideal weather before and after bloom and during cherry setting was an important factor in the volume of the 1985/86 crop. The excellent vegetative condition of coffee trees also reflected adequate fertilizer and pesticide application, despite the relatively high cost of these chemicals. In addition, the current year's coffee crop development in southwest Minas Gerais and northeast Sao Paulo states has been unusually good.

In Colombia, production is forecast to be down slightly to 12.5 million bags as a result of excessive rains and cloudy days in the last months of 1984. The coffee rust outbreak early in 1984 in four states resulted in more than 30,000 hectares of trees being pruned, but has not drastically affected total coffee production or quality. The coffee diversification program started in 1984, under which growers with limited resources were encouraged to switch out of coffee production, has had only a marginal impact on production. The recommended alternatives have not guaranteed the profit margin and/or the income stability of coffee.

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Ecuador's production is now forecast at 1.6 million bags, up from the past two seasons when floods substantially reduced coffee output. Peru's 1985/86 coffee crop is expected to be a record high 1.3 million bags because of timely rains and increased use of inputs. Damage from coffee rust has not been significant. The government program to convert to new high-yielding varieties continues with 15 million plants ready for transplanting this year.

Coffee production in North and Central America and the Caribbean region for 1985/86 is forecast to be down 3 percent from the previous year. All major producing countries, except Mexico (up 230,000 bags) are expecting decreases. The Mexican crop is expected to rebound after a poor 1984/85 season when unfavorable weather and a slight decline in harvested area resulted in reduced production. A December 1983 freeze killed many trees and replanting was necessary in the Huasteca area of Hidalgo and San Luis Potosi. Abnormally heavy rains in Chiapas during the fall of 1984 reduced production in that state and below normal rainfall during April-May 1984 in Veracruz also decreased output. However, moderate rains during April and early May (flowering season) 1985 were very favorable, prompting a forecast of nearly 4.5 million bags for 1985/86.

In El Salvador, production is expected to decline slightly to 2.9 million bags, reflecting the cyclical nature of coffee yields. Guatemalan production is forecast to remain unchanged despite a 1984/85 dry season (November-early May) that was one of the driest in many years. A five-year plan to bring dense planting know-how to small producers was initiated two years ago and has had some success as average yield has clearly increased. However, financing the increased use of fertilizer and pesticides that go along with such a change has proven difficult. Costa Rica's production is expected to show a cyclical decline following a record high 2.6-million-bag crop in 1984/85.

Africa's 1985/86 production is expected to increase by more than a million bags from last season. Ivory Coast production--forecast at 4.7 million bags--would be the largest outturn since 1980/81. Weather in 1985 has continued to be excellent with intermittent rains starting in February providing ideal conditions for the flowering and cherry setting stages. The government is involved in programs to encourage the regeneration of aging trees on 20,000 hectares, re-establish plantations destroyed by the flooding of the Buyo dam and replant some areas destroyed by brush fires in 1983.

Cameroon's coffee production in 1985/86 is forecast at 1.9 million bags, an above average crop even though this will be a cyclical "off" year for many trees. Early flowering and ideal growing conditions to date support the forecast. Coffee production in Kenya is projected to reach 1.8 million bags as a result of increasing number of bearing trees, improved response to the Coffee Improvement Program and favorable weather.

Asian coffee output is forecast to increase by 5 percent. Indonesian outturn for 1985/86 is expected to be near a record level mainly due to the emphasis on replanting older trees and proper management of existing trees. In India, prospects for the 1985/86 crop are for a more normal 2.3 million bags following an extraordinary 2.9-million-bag harvest last year. Coffee Board officials indicate that an uptrend in production has been well established by improved technology in cultivation, extensive new plantings and improved high-yielding strains.

Coffee production estimates by region are as follows in 1,000 60-kilogram bags:

Region	Revised 1984/85	Forecast 1985/86
North and Central America and the Caribbean	17,092	16,664
South America	43,970	50,025
Africa	20,847	21,940
Asia	9,027	9,435
Oceania	906	1,006
Total	91,842	99,070

WOOD AND WOOD PRODUCTS

U.S. solid wood exports during the first four months of 1985 were valued at \$880.5 million, down 6 percent from the same period in 1984. Wood products' trade continued to be highlighted by declining unit prices for most commodities. The value of exports of most major wood products was down in January-April 1985. The two most important exceptions were softwood logs and wood chips. Their value was up by 4 and 17 percent, respectively. Softwood exports were down 2 percent, while hardwood exports declined by 15 percent. Softwoods accounted for 73 percent of the value of U.S. solid wood exports.

Wood products exports to Japan, the largest U.S. market, were \$347.3 million, 40 percent of total sales. As shown in the following table, this was a 6-percent increase over the first four months of 1984. Sales to Canada, the second leading market, were down, however, by 9 percent to \$122.2 million. Wood shipments to China, the third largest market, were up 2 percent to \$91.5 million. Sales to South Korea increased 24 percent, while West German purchases of U.S. wood products were down 35 percent.

Wood Products Exports, January-April 1984-85
(In thousands of dollars)

Market	1984	1985	Percent Change
Japan	330,305	347,333	+6
Canada	133,435	122,223	-9
China	90,124	91,458	+2
South Korea	31,598	39,135	+24
West Germany	55,865	36,620	-35
Other countries	288,420	243,776	-16
World total	929,747	880,545	-6

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WORLD FOOD PRICES

World Food Price Comparison Table

FAS Survey of Average Retail Food Prices in Selected World
 Capitals, May 1985
 (In U.S. dollars per kg or units as indicated,
 converted at current exchange rates)

Item	Bras- Buenos Can-						Mexico	
	Bern	Bonn	ilia	Aires	berra	London	Madrid	City
Steak, sirloin, boneless..	19.75	6.86	1.34	1.18	5.56	9.53	5.64	5.29
Roast, pork, boneless.....	7.10	3.19	2.86	2.51	3.38	3.25	3.78	5.26
Broilers, whole.....	2.65	1.45	0.62	0.68	2.55	2.23	1.98	2.18
Eggs, large, dozen.....	2.19	0.84	0.39	0.66	1.31	1.23	0.99	0.79
Butter.....	6.42	2.73	1.73	3.39	2.35	2.37	5.42	3.35
Cheese, Cheddar, Emmenthaler	7.05	4.40	3.21	5.94	4.15	3.06	5.78	11.37
Milk, whole, liter.....	0.59	0.34	0.22	0.32	0.46	0.46	0.35	0.37
Oil, cooking, liter.....	2.22	0.91	0.87	1.87	3.76	1.24	1.38	1.07
Potatoes.....	0.50	0.18	0.20	0.20	0.41	0.35	0.19	0.27
Apples.....	1.13	0.89	0.89	0.47	0.68	1.16	0.75	1.78
Oranges.....	1.13	0.96	0.32	0.34	1.13	0.97	1.23	0.55
Flour.....	0.73	0.42	0.31	0.32	0.66	0.31	0.49	0.39
Rice.....	1.32	0.97	0.60	1.31	0.69	0.93	0.77	0.63
Sugar.....	0.54	0.60	0.33	0.54	0.51	0.57	0.54	0.31
Coffee.....	7.52	7.68	3.40	7.47	8.84	7.12	6.47	3.15
Total.....	60.84	32.42	17.29	27.20	36.44	34.78	35.76	36.76
(Total Nov. 1984).....	63.86	34.59	21.07	31.10	43.40	35.49	38.92	31.77

Bonn: Steak, sirloin, -- bone-in

Item	Pre-			Stock-		Wash.		
	Ottawa	Paris	toria	Rome	Seoul	holm	Tokyo	Metro
Steak, sirloin, boneless..	6.54	7.23	3.48	7.11	8.40	13.43	25.92	8.06
Roast, pork, boneless.....	4.30	4.69	3.19	4.31	3.34	13.17	8.24	4.98
Broilers, whole.....	1.70	3.49	1.02	2.76	2.03	4.13	3.17	1.52
Eggs, large, dozen.....	0.72	1.30	0.65	0.95	1.26	1.60	0.95	0.76
Butter.....	3.88	2.89	2.29	2.83	4.84	3.61	5.98	5.06
Cheese, Cheddar, Emmenthaler	6.83	5.13	2.77	4.95	NA	6.45	5.40	6.74
Milk, whole, liter.....	0.84	0.46	0.36	0.53	0.80	0.59	0.75	0.50
Oil, cooking, liter	1.52	1.59	1.60	1.06	1.47	4.62	1.49	2.68
Potatoes.....	0.43	0.71	0.30	0.51	0.71	0.41	0.99	1.05
Apples.....	1.27	0.85	0.47	0.76	2.66	1.30	2.80	1.96
Oranges.....	1.19	0.89	0.50	1.01	NA	1.33	1.97	1.06
Flour.....	1.01	0.56	0.27	0.30	0.28	0.66	0.79	0.62
Rice.....	1.87	0.98	0.96	1.07	1.06	1.61	1.50	1.34
Sugar.....	0.42	0.54	0.57	0.65	0.81	0.82	1.10	0.85
Coffee.....	7.70	5.46	7.42	6.93	10.03	6.91	12.95	7.71
Total.....	40.22	36.77	25.85	35.73	37.69/3	60.64	74.00	44.89
(Total Nov. 1984).....	45.52	36.35	26.60	37.80	41.51/2	62.71	75.65	42.53

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Note: One kilogram = 2.2046 pounds; one liter = 1.0567 quarts.

1/ Orange price excluded. 2/ Cheese price excluded. 3/ Orange and cheese excluded.

The items contained in this survey reflect purchases more typical of U.S. consumers than those of other capitals. Differences in quality, packing and seasonal variation in supply will also tend to affect any strict comparison between such prices. The retail prices quoted in this survey were derived by averaging retail prices for each commodity taken from randomly sampled supermarkets within each capital's metropolitan area.

Variation in prices among the cities surveyed may be explained by a variety of factors, among which are supply/demand differences; controls and other means of interference with some prices; the self-sufficient nature of some capitals (e.g. sirloin prices in Brasilia and Buenos Aires and coffee prices in Brasilia); and the quality, packaging, etc. differences alluded to above.

Food prices for the surveyed products were generally lower than the November 1984 survey except for Mexico City, Paris and Washington, which showed slight increases.

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Item		June 18, 1985		Change from previous week	A year ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT	\$ per MT	
Wheat:					
Canadian No. 1 CWRS-13.5%.	183.00	4.98	-1.0	200.00	
U.S. No. 2 DNS/NS: 14%....	165.00	4.49	0	180.00	
U.S. No. 2 S.R.W.	143.00	3.89	+4.00	148.00	
U.S. No. 3 H.A.D.....	173.00	4.71	+2.00	185.00	
Canadian No. 1 A: Durum...	179.00	4.87	+1.00	197.00	
Feed grains:					
U.S. No. 3 Yellow Corn....	128.50	3.26	0	159.00	
Soybeans and meal:					
U.S. No. 2 Yellow.....9/	228.25	6.21	-3.25	305.90	
Brazil 47/48% SoyaPellets	145.00	--	+2.50	196.00	
U.S. 44% Soybean Meal....	142.00	--	+1.00	204.00	
U.S. FARM PRICES 3/					
Wheat.....	117.20	3.19	-2.57	132.26	
Barley.....	73.03	1.59	-4.13	100.59	
Corn.....	104.72	2.66	0	132.68	
Sorghum.....	98.77	4.48 2/	-.22	115.22	
Broilers 7/.....	1186.30	--	+5.73	1148.82	
EC IMPORT LEVIES					
Wheat 5/.....	76.30	2.08	-4.05	88.50	
Barley.....	70.35	1.53	-.40	72.80	
Corn.....	63.80	1.62	-.70	53.00	
Sorghum.....	79.60	2.02	+1.05	79.00	
Broilers 4/ 6/ 8/.....	N.Q.	--	N.Q.	N.Q.	
EC INTERVENTION PRICES 7/					
Common wheat(feed quality)	150.60	4.10	+1.35	178.50	
Bread wheat (min. quality)7/	159.95	4.35	+1.40	194.10	
Barley and all					
other feed grains.....	150.60	--	+1.35	178.50	
Broilers 4/ 6/.....	N.Q.	--	N.Q.	N.Q.	
EC EXPORT RESTITUTIONS (subsidies)					
Wheat	N.A.	--	--	N.A.	
Barley.....	N.A.	--	--	48.05	
Broilers 4/ 6/ 8/.....	N.Q.	N.Q.	N.Q.	N.Q.	

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 gag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/September shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis July shipment.